



**Townsend Council Meeting Minutes  
December 7, 2016**

**6:30 pm – Executive Session – Potential Litigation**

- **Strategy session involving legal advice or opinion with respect to potential litigation where an open meeting would have an adverse effect on the Town's litigation position, pursuant to 29 Del. C. §10004(b)(4).**

- **Motion to adjourn Executive Session:**

**7:30 pm – Council Meeting**

**II.** Call to Order: 7:30 pm

**III.** Opening Ceremonies

- a. Roll Call: Mayor Rudy Sutton, CM John Ness, CM Jermaine Hatton, CW Lorraine Gorman, CW Cindy Cook, TA Fred Townsend, TE Owen Hyne, TE Aquilino Andres, TM Dawson Green TC Cathy Beaver
- b. Pledge of Allegiance: Pledge was said.
- c. Recognition of Visitors: 42
- d. Announcements: none

**IV.** Additions/Deletions to Published Agenda: none

**V.** Council Minutes - none

**VI.** Mayors Report

- a. Mayor Sutton thanked CW Cook for all her hard work decorating the Town Hall. It is beautiful.

**VII.** Reports

- a. State Police Lt. Hudak:
  - Nothing to report; we are still working on the drug problem.
- b. Representative Jeff Spiegelman: not here
- c. Town Attorney Fred Townsend III: nothing to report
- d. Town Engineer Owen Hyne & Aquilino Andres Jr:
  - TVI – working with the developer to complete phases 1 and 2. Rob Allen wants to get them completed and ready to turn over to the Town this month.
  - CW Gorman asked when the paving will be completed in TVII West.
  - TE Hyne said he will check, but probably not until the spring now because of the weather.
  - Mr. Clark asked when the gas line would be coming into Town and was told the end of next year.
  - CM Ness stated the pot hole at the entrance to TVI on Edgar keeps growing.
- e. Town Manager Dawson Green:
  - Christmas decoration on Main Street will be put up between 8 – 10:00 am on Friday.
  - IPA and Herb Inden will be at the next planning commission meeting on January 11, 2017. Council should also be there, they will give an overview of what is expected of the commission.
  - Waiting to hear from Peter on the U-turn signs at the school.
  - Met with Terri DiSantos about our insurance.
  - Mr. Burris will be working at Finley Street next week.

**VIII.** Committee Reports

a. Finance Committee: Chair – CM Jermaine Hatton

- The state has a large default in their budget and is talking about cutting several things that will affect the Town.
- Currently the state and Town split the transfer taxes from the sale of a home. They want to change it where they get 2% and we get 1%.
- Also want to cut MSA (municipal street aide). This pays for our streetlights, snow plowing and some of the police. This will really hurt our Town.
- State also wants to remove all the CTF funds; we will get no financial help for any project.
- There will be a lot less money coming into Town to continue to run efficiently.
- New Governor being installed in January; anything could change. Will keep all abreast of the situation.
- Looking for ways to find funds for the Town.

b. Public Works: Chair – Mayor Rudy Sutton

- Discussion on bond amount for Affordable Contractors
  - I.** TE Hyne explained that Affordable Contractors wants the Town to reduce the amount of the bond we are asking for. The cost of the project doubled and the bond is supposed to cover the

project cost. They are asking the Town to accept the bond at the initial amount rather than increasing it to cover all the work that was done. Typically, once all the work is complete I send a letter for the Town to release part of the bond. This one could be tricky; the bonding company wants a letter from the Town keeping the original bond amount of \$257,000.

- II.** Mayor Sutton asked if we would have enough money to cover any repairs needed if the bond is kept at the original amount.
- III.** CW Gorman asked if the punch list items have been done.
- IV.** TE Hyne said he will check on this but assured all no letter will be sent until all the punch list is complete.

c. Land Use & Development: Co-Chairs – CM Jermaine Hatton & CW Lorraine Gorman

- Discussion/possible vote on Performance Bond Waiver Requirement for Phase 4E (Gray Street Properties)
  - I.** CM Hatton said Handler wants to finish Phase 4E; develop the 32 lots and finish the Ginn Street connector. They have asked the Town to waive the 120% bond requirement for the infrastructure.
  - II.** TE Hyne added the Town isn't really waiving the fee, we would be deferring it. Before building the first house they will have to provide the Town with a bond.
  - III.** CM Hatton motioned, CM Ness seconded with unanimous vote to waive the 120% performance bond for the infrastructure for Phase 4E.
- Discussion/possible nomination of additional Planning Commissioners
  - I.** Rick Anibal resigned from the Planning Commission as he doesn't have enough time to do it. We have been talking to other people who had expressed interest in being part of the commission but won't appoint anyone until after the meeting on 1/11/17 once all will know what is expected of them.
- Discussion of street lighting and open space areas in TV & TVII
  - I.** CM Hatton stated the Town is at a crossroads. Per the agreement between the Town and developers, once the development is built out, the Town has to take over the roads, lights and open areas. From a long time perspective, we have to see if the Town can afford all of this in the future.
  - II.** Met with Rob Allen for an estimated cost of the lights; The Town will be short \$108,000 a year if we take all the lights into Town.
  - III.** The only income for the Town is transfer taxes, permit fees and a small amount from the trash. Councils from years ago sold our water, sewer and electric rights. We will never be able to make any money from these as many other Towns do. We also have the 2<sup>nd</sup> lowest tax rate in NCC; the last tax assessment was done in 1983. If everyone pays their taxes (which doesn't happen), the Town gets \$100,000 a year from taxes. Taxes have never been raised in Townsend.
  - IV.** Building is moving in the right direction but will dry up soon. The question is – how do we raise money for the Town. Do we have the homeowners associations pay for the street lights in the developments, do we raise taxes? These are things that need discussed.
  - V.** Mr. Mueller commented that we have to have street lights. He said he would rather the Town raise our taxes; then he can deduct them. If the homeowner does have to pay for the lights, it is no deduction for them. We already pay much lower taxes than where we moved from. When taxes are collected, it is a lot of money at one time the Town could invest so the amount grows.
  - VI.** Ms. Maynard said she has paid taxes in the Town for 10 years and asked where that money has gone; why can't it be used to pay for the streetlights rather than making the homeowners pay for them or raise our taxes.
  - VII.** CM Hatton said the annual taxes go into our operating account and is used to run the Town. We have used MSA money to pay the streetlight bills in the past but the state may take it away. Once we increase our road mileage, our MSA amount will also increase but not drastically. 5 million dollars is spread between all the Towns in Delaware. MSA will never be in enough to pay all the bills
  - VIII.** Samantha Golden, president of the Townsend Station Homeowner's Association said their development will never be able to pay for the street lights. It will definitely be dark in the development if that is what the Town decides to do.
  - IX.** There was a lengthy discussion with several suggestions for paying the street lights in the future, including possibly adding an amount for streetlights to the trash bill or getting all the bulbs changed to LED to lower the cost. Residents also inquired how much taxes would be raised and were told it would depend on what the state does with the budget.
  - X.** CM Hatton ended by saying Council is open to all suggestions and have listened to everyone tonight. A decision is going to have to be made after the first of the year to factor into next

year's budget. Also, every Town in Delaware will be at Leg Hall to fight the loss of MSA and the change in transfer taxes.

- XI.** Ms. Meredith asked Council to please have a Town Hall meeting before a decision is made where only this issue is discussed. People don't have time to attend Council meetings and all need to be notified and made aware.
- XII.** Several residents said everyone should try to attend meetings, the government taxes us – you may not know the issues if you never attend meetings and stay involved. Due diligence!
- XIII.** Mayor Sutton said Council will try and schedule a meeting after the first of the year and CM Hatton added Council will analyze all the options residents suggested tonight and discuss at the Town Hall meeting.

d. Community Relations: Chair – CW Cindy Cook – nothing to report

e. Public Safety: Chair – CM John Ness

- Have seen lots of unmarked cars pulling people over.
- There was a discussion about the intersection at the red light with suggestions to widen all the lanes to include turning lanes.
- Was explained these are both state streets, DelDot has done many surveys and there isn't room to widen all the lanes to include turn lanes.
- CM Ness asked residents if they see someone speeding or doing something illegal, get their tag number and call 911.

f. Parks & Recreation: Chair – CW Lorraine Gorman

- Christmas Caroling & Tree Lighting ceremony – December 11, 2016 @ 4:30 pm

**I.** Immanuel Church will lead the caroling, cookies, hot chocolate and Santa will be there.

**IX.** Citizens Comments & Participation - none

**X.** Adjournment: 9:09 pm, CM Hatton motioned, CM Ness seconded with unanimous vote.